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FM AMEMBASSY MOSCOW
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INFO RUCNCIS/CIS COLLECTIVE PRIORITY
RUEHXD/MOSCOW POLITICAL COLLECTIVE PRIORITY

CONFIDENTIAL MOSCOW 004405

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E.O. 12958: DECL: 04/25/2016 TAGS: <u>PREL PGOV PBTS MD RS</u>

SUBJECT: VARNITSA PORT SEIZURE: RUSSIAN VIEWS

REF: A) CHISINAU 455 B) MOSCOW 4198 C) KIEV 1444

Classified By: Minister Counselor for Political Affairs Kirk Augustine. Reason 1.4 (b, d)

- 11. (C) We raised the April 21 Transnistrian seizure of Varnitsa Port (ref. a) with Russian Transnistria negotiator Nesterushkin April 25. Nesterushkin compared the seizure to the incident several years ago when Moldovan farmers tried to farm land on the Left Bank after receiving privatization vouchers from Chisinau. Such events are common in the many "gray areas" left by the cease-fire lines, he claimed, and should be settled by "civilized" dialogue between the sides. He implied that such incidents are too common and too trivial to be worth a discussion between the U.S. Embassy and the Russian MFA. We countered that the issue was worth raising: in other conflicts, seizure of disputed territory has led to bloodshed. Nesterushkin said that fortunately this is not the case in Moldova -- but without a functioning negotiating process (i.e., as long as the Moldovans and Ukrainians enforce their customs rules), who could say what might happen in the future? He did, however, appreciate knowing that the U.S. considered the incident significant.
- 12. (C) Nesterushkin claimed to have no detailed information on the circumstances surrounding the seizure. He said he had only heard the "cries" of each side blaming the other, and he hoped the Joint Control Commission would be able to sort through the claims. Despite his professed lack of knowledge, however, he painted a detailed picture "based on speculation:" that the port managers of Bender decided they wanted the rent from Varnitsa which had flowed to Bender in Soviet times, and authorized a local company to exploit Varnitsa and pay them the rent. The seizure, in Nesterushkin's view, might have been the company's guard force trying to take control of the facility. Nesterushkin categorized the incident as a "management dispute." We said that the Moldovan version of events is far different, and reiterated that such disputes can be destabilizing. Nesterushkin repeated that negotiations were necessary to resolve such issues.
- 13. (C) Comment: The incident comes conveniently soon after Nesterushkin's warning that the new customs regime was "radicalizing" Transnistria (ref. b) and preventing the resumption of negotiations. We would read it as a reflection of the degree to which the customs regime has unsettled the Russians and Transnistrians.

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